

House File 84 - Introduced

HOUSE FILE 84
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A BILL FOR

1 An Act establishing a transportation cost supplement program
2 for school districts, authorizing the imposition of a
3 transportation cost supplement property tax and income
4 surtax, and including applicability provisions.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 275.12, subsection 5, Code 2015, is
2 amended to read as follows:

3 5. The petition may include a provision that the
4 voter-approved physical plant and equipment levy provided in
5 section 298.2, the transportation cost supplement program
6 provided in section 298.17, or both, will be voted upon at the
7 election conducted under section 275.18. The petition may also
8 include a provision that the revenue purpose statement provided
9 in section 423F.3 will be voted upon at the election conducted
10 under section 275.18.

11 Sec. 2. Section 298.14, unnumbered paragraphs 1 and 2, Code
12 2015, are amended to read as follows:

13 For each fiscal year, the cumulative total of the percents of
14 surtax approved by the board of directors of a school district
15 and collected by the department of revenue under sections
16 257.21, 257.29, ~~and~~ 298.2, and 298.17, and the enrichment
17 surtax under section 442.15, Code 1989, and an income surtax
18 collected by a political subdivision under chapter 422D, shall
19 not exceed twenty percent.

20 A school district income surtax fund is created in the
21 office of treasurer of state. Income surtaxes collected by the
22 department of revenue under sections 257.21, 257.29, ~~and~~ 298.2,
23 and 298.17, and section 442.15, Code 1989, shall be deposited
24 in the school district income surtax fund to the credit of each
25 school district. A separate accounting of each surtax, by
26 school district, shall be maintained.

27 Sec. 3. NEW SECTION. **298.17 Transportation cost supplement**
28 **program — election.**

29 1. *a.* A transportation cost supplement program is
30 established to provide additional funding for school districts
31 in which the district transportation costs per pupil exceed the
32 state average transportation costs per pupil, as those amounts
33 are determined under section 257.31, subsection 17, paragraph
34 "c".

35 *b.* The board of directors of a school district that

1 satisfies the criteria of paragraph "a", may direct the
2 county commissioner of elections to submit the question of
3 participation in the transportation cost supplement program to
4 the registered voters of the school district at an election
5 held on a date specified in section 39.2, subsection 4,
6 paragraph "c". The question submitted to the voters of the
7 school district shall specify the period of consecutive years
8 that the school district may participate in the program,
9 if otherwise eligible under paragraph "a", not to exceed
10 ten consecutive years. If a majority of those voting on
11 the question favors participation in the program, the board
12 shall adopt a resolution to participate and shall certify the
13 results of the election to the department of management and the
14 district shall participate in the program. If a majority of
15 those voting on the question does not favor participation, the
16 district shall not participate in the program.

17 2. The transportation cost supplement program shall provide
18 additional revenues each fiscal year not to exceed an amount
19 equal to the district's actual enrollment used to calculate
20 the district's average transportation costs per pupil under
21 section 257.31, subsection 17, paragraph "c", multiplied by
22 the remainder of the district's average transportation costs
23 per pupil minus the state average transportation costs per
24 pupil, as those amounts are determined under section 257.31,
25 subsection 17, paragraph "c". However, such resulting amount
26 shall be reduced by the amount of transportation assistance
27 aid received by the district under section 257.31, subsection
28 17, for the same budget year, as defined in section 257.2, if
29 applicable. Certification of a district's participation for a
30 budget year, the method of funding, and the amount to be raised
31 shall be made to the department of management not later than
32 April 15 of the base year, as defined in section 257.2.

33 3. The transportation cost supplement program shall be
34 funded by either a transportation cost supplement property
35 tax or by the combination of a transportation cost supplement

1 property tax and a transportation cost supplement income
2 surtax. The method of raising the transportation cost
3 supplement program moneys shall be determined by the board.
4 Subject to the limitation in section 298.14, if the board
5 uses a combination of a transportation property tax and a
6 transportation cost supplement income surtax, the board shall
7 determine the percent of income surtax to be imposed, expressed
8 as full percentage points, not to exceed twenty percent.

9 4. The department of management shall establish the amount
10 of the transportation cost supplement property tax to be levied
11 or the amount of the combination of the transportation cost
12 supplement property tax to be levied and the amount of the
13 transportation cost supplement income surtax to be imposed for
14 each school year that the transportation cost supplement amount
15 is authorized and the school district eligible under subsection
16 1, paragraph "a". The transportation cost supplement property
17 tax and income surtax, if an income surtax is imposed, shall be
18 levied and imposed, collected, and paid to the school district
19 in the manner provided for the instructional support program in
20 sections 257.21 through 257.26.

21 5. Revenues received by a school district from a
22 transportation cost supplement property tax or income surtax
23 imposed under this section shall be deposited in the general
24 fund of the school district and expended only for the cost
25 of repairing, maintaining, and fueling school district
26 transportation equipment and school buses, as defined in
27 section 321.1, subsection 69. Revenues received by a school
28 district under this section are miscellaneous income.

29 6. Except for an adjustment in the total amount authorized
30 to be collected under subsection 2, participation in the
31 transportation cost supplement program under this section shall
32 not affect a school district's eligibility for transportation
33 assistance under section 257.31, subsection 17.

34 7. Once approved at an election, the authority of the
35 board to use the transportation cost supplement program

1 shall continue, subject to the period of years authorized at
2 election, until the board votes to discontinue the program or
3 the voters of the school district by majority vote order the
4 discontinuance of the program. The board shall submit at an
5 election held on a date specified in section 39.2, subsection
6 4, paragraph "c", the question of whether to discontinue the
7 program upon the receipt of a petition signed by not less than
8 one hundred eligible electors or thirty percent of the number
9 of electors voting at the last preceding school election,
10 whichever is greater.

11 8. Participation in the transportation cost supplement
12 program is not affected by a change in the boundaries of the
13 school district. If each school district involved in a school
14 reorganization under chapter 275 has approved a transportation
15 cost supplement program, and if the voters have not voted upon
16 the question of participation in the program in the reorganized
17 district, the program shall be in effect for the reorganized
18 district that has been approved for the least amount and the
19 shortest time in any of the districts.

20 Sec. 4. APPLICABILITY. This Act applies to school budget
21 years beginning on or after July 1, 2016.

22 EXPLANATION

23 The inclusion of this explanation does not constitute agreement with
24 the explanation's substance by the members of the general assembly.

25 This bill establishes a transportation cost supplement
26 program to provide additional funding for school districts
27 in which the district transportation costs per pupil exceed
28 the state average transportation costs per pupil. Under the
29 bill, the board of directors of such a school district may
30 direct the county commissioner of elections to submit the
31 question of participation in the program to the registered
32 voters of the school district. The question submitted to the
33 voters shall specify the period of consecutive years that the
34 school district may participate in the program not to exceed 10
35 consecutive years.

1 The transportation cost supplement program provides
2 additional revenue each fiscal year not to exceed an amount
3 equal to the district's actual enrollment used to calculate
4 the district's average transportation costs, multiplied by
5 the remainder of the district's average transportation costs
6 per pupil minus the state average transportation costs per
7 pupil. This amount is required to be reduced by the amount of
8 transportation assistance aid received by the district under
9 current Code section 257.31(17), if any, for the same budget
10 year.

11 The bill authorizes the transportation cost supplement
12 program to be funded by either a transportation cost supplement
13 property tax or by the combination of a transportation cost
14 supplement property tax and a transportation cost supplement
15 income surtax. An income surtax imposed as part of the
16 transportation cost supplement program is subject to the 20
17 percent cumulative income surtax cap under Code section 298.14.

18 Revenues received by a school district from a transportation
19 cost supplement property tax or income surtax shall be
20 deposited in the general fund of the school district and
21 expended only for the cost of repairing, maintaining, and
22 fueling school district transportation equipment and school
23 buses, as defined in Code section 321.1(69). Revenues received
24 by a school district under this section are miscellaneous
25 income.

26 The bill provides that the transportation cost supplement
27 program may be discontinued by either school board action or
28 by petition and election and includes provisions relating to
29 participation in the transportation cost supplement program by
30 school districts involved in a school reorganization under Code
31 chapter 275.

32 The bill applies to school budget years beginning on or after
33 July 1, 2016.